GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:5079
ANSWERED ON:21.12.2000
PERMISSION TO CROWN EXPRESS TO START AIRLINES
PUTTASWAMY GOWDA

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether an Aviation Company `Crown Express` has applied for permission to start an Airlines in the country;

(b) if so, the details thereof;

(c) the total capital outlay projected by the company;

(d) whether the company applied to AAC for purchase of six aircrafts;

(e) if so, the details thereof with the price of each aircraft;

(f) whether any shortcomings in the company`s application/proposal has been noticed; and

(g) if so, the details thereof and the reasons for not rejecting the application/proposal?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b), (c), (d) and (e): Yes, Sir. M/s Crown Express Pvt.Ltd. submitted an application on 19th July, 2000 for NOC to operate scheduled air transport services with 6 B-737 class of aircraft on dry lease basis. The authorised and subscribed equity capital of this company is Rs.1.00 lakh which is proposed to be raised to Rs.111.39 crores. On 24.8.2000 approval was issued by the M/o Industry on the FIPB proposal for 40% foreign equity participation (Rs.44.55 crores) and 60% NRI equity (Rs.66.83 crores).

(f) and (g): The proposal has been considered by the Aircraft Acquisition Committee on 10th November, 2000 and was deferred for consideration, because,

i) The company has not appointed the Chairman who should be an Indian national as per statutory requirement;

ii) Names/identity of the foreign investors and declaration that they do not have direct or indirect foreign airline connection has not been furnished;

iii) The authorised/subscribed equity capital is far below the prescribed level of Rs.30.00 crores for operators proposing to operate with aircraft of all-up-weight of more than 40,000 Kgs.